



AVOIDING HOLIDAY DEBT

How many years have you spent the post-holiday season suffering from the devastating financial effects of your holiday generosity? It was fun while it lasted, but it's a struggle for many of us to pay off the debt we built up over just a few weeks.

If you have a tendency to overspend during the holiday season, you're not alone. Even though financial forecasts say fears about the economy will keep retail sales between Thanksgiving and New Year flat this year, the average consumer is expected to spend close to \$1,000 on holiday shopping.

Many of us don't have an extra \$1,000 just lying around, so much, if not all, of our holiday spending will go on the credit card. Unfortunately, gift-giving via plastic can leave you with the gift that keeps on taking – a credit card bill that only grows with each minimum payment.

How can you avoid falling into this serious debt cycle? The best solution is to plan ahead so you'll have holiday spending money in hand. There are lots of inventive ways to start saving up now. Give up "designer" lattes for a few weeks, and settle for coffee from the office break room. Use a few free gym tryouts rather than paying for a membership. Put aside the money you save and add it to your gift budget.

If you haven't already put aside enough to cover your holiday shopping, here are some tips that can help you avoid debt this year:

- » **Define your limits** – Think about your monthly living costs and about how much additional expense you can afford. Then set a budget, write it down and stick to it.
- » **Make a list, check it twice** – List all the gifts you plan to give, and how much each is expected to cost. Make an effort to include every little gift, and check yourself. Even the tiny items and stocking stuffers can add up! (If you don't know the prices, you can get a good estimate by checking online.) You'll end up spending much less if you know exactly what you're buying before you hit the stores.
- » **Think outside the (gift) box** – Be creative about what you decide to buy. Go for uniqueness and the personal touch, not for expense and flashiness. Homemade (or home-baked!) gifts are always appreciated. Consider gift cards – they're available in multiple amounts and will never cost more than you planned to spend on them.
- » **Choose your stores wisely** – Many gift items (particularly the little ones, such as sweets and scented candles) can be easily obtained at discount shops. Prices online are often significantly lower than those at traditional brick-and-mortar stores.
- » **Try cash!** – This may seem like a revolutionary idea, but leave your credit cards home when you holiday-shop. It's much easier to notice the bills you see disappearing from your wallet than to track credit debt as it mounts. The exception is big-ticket items such as major appliances or home electronics, for which credit cards could make sense. But for these items in particular, set your limits and stick to them before you flash any plastic.

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- » **Seek help** – Many non-profit agencies offer valuable free resources that can help you budget, save and avoid debt. To start, try Googling “budget.” (As always when seeking help online, make sure you are dealing with reputable agencies, and take common-sense steps to avoid scams.) You can get free or low-cost credit counseling through an agency affiliated with the National Foundation for Credit Counseling (NFCC). Call (800) 388-2227 or log on to www.nfcc.org. Your EAP can also provide you with telephonic financial counseling, delivered by certified professional counselors.

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Do you need help getting your personal finances in order? Call your EAP!

Your Employee Assistance Program provides help in many areas of daily living, including:

- » Family finances
- » Legal issues
- » Alcohol and substance abuse
- » Childcare or eldercare

Call any time for a telephonic consultation.

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